

July 13, 2001

Legislative Audit Commission
622 Stratton Office Building
Springfield, IL 62706

Dear Members:

In accordance with section 3-15 of the Illinois State Auditing Act (30 ILCS 5/3-15), I hereby submit the report on the operations of the Office of the Auditor General for the fourth quarter of Fiscal Year 2001, which ended June 30, 2001.

FISCAL MATTERS

<i>FY 2001 – FOURTH QUARTER</i>				
	<i>Appropriation</i>	<i>Expended</i>	<i>Obligated</i>	<i>Balance</i>
Personal Services	\$ 3,622,617	\$ 3,510,758	\$ 0	\$ 111,859
Employee Retire. (Employer)	144,905	130,637	0	14,268
State Retirement	360,233	349,188	0	11,045
Social Security	263,130	260,020	0	3,110
Contractual Services	552,645	523,039	6,410	23,196
Travel	100,000	76,942	0	23,058
Commodities	15,000	11,166	0	3,834
Printing	14,000	13,286	0	714
Equipment	57,000	31,188	21,146	4,666
EDP	154,000	128,468	5,871	19,661
Telecommunications	68,000	60,753	0	7,247
Oper. of Auto. Equip.	2,000	1,482	0	518
Audits/Studies/Invest.*	<u>11,987,250</u>	<u>7,670,109</u>	<u>2,365,627</u>	<u>1,951,514</u>
TOTAL	<u>\$17,340,780</u>	<u>\$12,767,036</u>	<u>\$2,399,054</u>	<u>\$2,174,690</u>
*Audit Expense Fund				

PERSONNEL

	<i>PERSONNEL</i>				
	<u>04-01-01</u>	<u>Appointments</u>	<u>Separations</u>	<u>Transfers</u>	<u>06-30-01</u>
Springfield	64	6	1	(1)	68
Chicago	<u>08</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>09</u>
TOTAL	<u>72</u>	<u>6</u>	<u>1</u>	<u>0</u>	<u>77</u>

CONTRACTS

During the fourth quarter of Fiscal Year 2001 the Office of the Auditor General entered into ninety financial/compliance audit contracts, one administrative contract and four information systems contracts.

TRAINING

Training for the fourth quarter of Fiscal Year 2001 included IT Auditing topics. Additional external training that staff participated in includes Encryption and Digital Signature, Ethics and Professionalism for Government Attorneys, Fraud Detection and Investigation, GASB Statement #33-36, GASB #34 Implementation, the Government Finance Officers Association's Annual Conference, Illinois CPA Society's Annual Government Conference, Illinois Women in Government Annual Conference, Department of Human Rights Annual Employees Equal Opportunity (EEO) Conference, Labor and Employment Law Symposium, Internet Security, the Midwestern Intergovernmental Audit Forum, National State Auditor Association's Annual Conference, Web Design and Development Conference, and Windows 2000 Security.

PERFORMANCE AUDITS

PERFORMANCE AUDITS IN PROGRESS

<i>AUDITS</i>	<i>ESTIMATED RELEASE DATE</i>
<ul style="list-style-type: none">• Compliance and Management Audit of Chicago's Airports (<i>PA 89-386</i>)	Unknown
<ul style="list-style-type: none">• Management Audit of Agencies Funding Regional Offices Of Education (<i>LAC No. 118</i>)	Summer 2001
<ul style="list-style-type: none">• Program Audit of Health Facilities Planning Board (<i>PA 91-0782</i>)	Summer 2001
<ul style="list-style-type: none">• Management Audit of IEPA's Vehicle Emission Testing Program (<i>LAC No. 119</i>)	Summer 2001
<ul style="list-style-type: none">• Audit of Technology Tracking Users of Web Sites (<i>H.R. 263</i>)	Winter 2001
<ul style="list-style-type: none">• Study of Bidding Specifications on State Construction Contracts (<i>S.R. 147</i>)	Spring 2002
<ul style="list-style-type: none">• Management Audit of Group Workers Compensation Self-Insured Pools (<i>LAC No. 121</i>)	Summer 2002
<ul style="list-style-type: none">• Management Audit of the Early Intervention Program (<i>LAC No. 122</i>)	Summer 2002
<ul style="list-style-type: none">• Financial and Management Audit of the Teachers Academy for Mathematics and Science (<i>H.R. 304</i>)	Summer 2002
<ul style="list-style-type: none">• Program and Management Audit of Kid Care (<i>S.R. 152</i>)	Summer 2002

FINANCIAL & COMPLIANCE AUDITS

The following is a listing of financial and compliance audits for the period ending June 30, 2000. As the year progresses the “date released” column will be completed.

<p align="center"><i>FINANCIAL & COMPLIANCE AUDITS FOR THE PERIOD ENDING JUNE 30, 2000</i></p>

F = Financial

C = Compliance

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Attorney General	x	x	06-28-01
Capital Development Board	x	x	02-28-01
Chicago State University	x	x	05-24-01
Chicago State University Foundation	x		05-24-01
Comptroller – Fiscal Officer	x	x	05-08-01
Comptroller – Non-Fiscal Officer	x	x	05-08-01
Department on Aging	x	x	03-27-01
Department of Agriculture (DuQuoin Fair)		x	03-14-01
Department of Agriculture (IL State Fair)		x	03-14-01
Department of Central Management Services	x	x	03-07-01
Department of Central Management Services (Deferred Compensation Plan)	x		06-28-01
Department of Children and Family Services	x	x	04-05-01
Department of Commerce and Community Affairs	x	x	03-07-01
Department of Corrections – General Office	x	x	04-10-01
Dept.of Corrections, Correctional Center - <i>Big Muddy River</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Centralia</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Danville</i>		x	04-10-01
Dept. of Corrections, Correctional Center - <i>Decatur Womens</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Dixon</i>		x	04-10-01
Dept. of Corrections, Correctional Center - <i>Dwight</i>		x	04-10-01
Dept. of Corrections, Correctional Center - <i>East Moline</i>		x	04-10-01

FINANCIAL & COMPLIANCE AUDITS *(Continued)*

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Dept. of Corrections, Correctional Center – <i>Graham</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Hill</i>		x	04-10-01
Dept. of Corrections, Correctional Center - <i>IL River Canton</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Jacksonville</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Joliet</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Lincoln</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Logan</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Menard</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Pinckneyville</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Pontiac</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Robinson</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Shawnee</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Sheridan</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Southwestern IL</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Stateville</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Tamms</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Taylorville</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Vandalia</i>		x	04-10-01
Dept. of Corrections, Correctional Center – <i>Vienna</i>		x	04-10-01
Dept. of Corrections, Correctional Center <i>Western Illinois</i>		x	04-10-01
Department of Corrections, Correctional Industries	x	x	04-10-01
Dept. of Corrections, IL Youth Center – <i>Chicago</i>		x	04-10-01
Dept. of Corrections, IL Youth Center – <i>Harrisburg</i>		x	04-10-01
Dept. of Corrections, IL Youth Center – <i>Joliet</i>		x	04-10-01
Dept. of Corrections, IL Youth Center – <i>Murphysboro</i>		x	04-10-01
Dept. of Corrections, IL Youth Center – <i>Pere Marquette</i>		x	04-10-01
Dept. of Corrections, IL Youth Center – <i>St. Charles</i>		x	04-10-01
Dept. of Corrections, IL Youth Center – <i>Valley View</i>		x	04-10-01
Dept. of Corrections, IL Youth Center – <i>Warrenville</i>		x	04-10-01

FINANCIAL & COMPLIANCE AUDITS *(Continued)*

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Department of Employment Security	x		02-28-01
Department of Financial Institutions	x	x	03-27-01
Department of Human Services	x		03-27-01
Department of the Lottery	x	x	02-28-01
Department of Military Affairs	x	x	04-26-01
Department of Natural Resources	x	x	04-26-01
Department of Public Aid	x	x	05-17-01
Department of Revenue	x		03-20-01
Department of State Police	x	x	03-29-01
Department of Transportation	x	x	04-26-01
Department of Veterans' Affairs – General Office	x	x	04-26-01
Drycleaner Environmental Response Trust Fund Council	x	x	03-29-01
East St. Louis Financial Advisory Authority	x	x	02-28-01
Eastern Illinois University	x	x	03-29-01
Eastern Illinois University Alumni Association	x		02-22-01
Eastern Illinois University Foundation	x		02-22-01
Environmental Protection Agency	x	x	03-29-01
Environmental Protection Agency Trust Fund Commission	x	x	03-29-01
General Assembly – Retirement System	x	x	02-14-01
Governors State University	x	x	03-29-01
Governors State University Alumni Association	x		02-22-01
Governors State University Foundation	x		02-22-01
Health Care Cost Containment Council	x	x	03-14-01
Historic Preservation Agency	x	x	03-14-01
Illinois Community College Board	x	x	03-07-01
Illinois Community College System Foundation	x	x	03-07-01
Illinois Conservation Foundation	x	x	03-07-01
Illinois Development Finance Authority	x	x	03-22-01

FINANCIAL & COMPLIANCE AUDITS *(Continued)*

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Illinois Farm Development Authority	x	x	03-22-01
Illinois Health Facilities Authority	x	x	03-22-01
Illinois Housing Development Authority	x	x	03-22-01
Illinois Mathematics and Science Academy	x	x	03-14-01
Illinois Mathematics and Science Academy Fund	x		03-14-01
Illinois Medical District Commission	x	x	04-26-01
Illinois Racing Board	x	x	03-14-01
Illinois Rural Bond Bank	x	x	03-22-01
Illinois State Board of Investment	x		02-14-01
Illinois State Board of Investment		x	03-27-01
Illinois State Toll Highway Authority			
Illinois State University	x	x	03-29-01
Illinois State University Foundation	x	x	03-29-01
Illinois Student Assistance Commission, Designated Account Purchase, Prepaid Tuition	x		03-20-01
Illinois Veterans' Home – Anna	x	x	04-26-01
Illinois Veterans' Home – LaSalle	x	x	04-26-01
Illinois Veterans' Home – Manteno	x	x	04-26-01
Illinois Veterans' Home – Quincy	x	x	04-26-01
Illinois Violence Prevention Authority	x	x	06-28-01
Industrial Commission – Self Insurer's Fund	x		03-14-01
Joint Committee on Administrative Rules	x	x	03-27-01
Judges Retirement System	x	x	02-14-01
Judicial Inquiry Board		x	06-28-01
Kankakee River Valley Area Airport Authority	x	x	04-05-01
Law Enforcement Training Standards Board	x	x	03-29-01
Legislative Information System		x	05-08-01
Liquor Control Commission	x	x	03-20-01
Northeastern Illinois University	x	x	03-29-01

FINANCIAL & COMPLIANCE AUDITS (Continued)

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Northeastern Illinois University Foundation	x		02-22-01
Northern Illinois University	x	x	03-20-01
Northern Illinois University Alumni Association	x	x	03-20-01
Northern Illinois University Foundation	x	x	03-20-01
Office of Banks and Real Estate	x	x	03-29-01
Petroleum Resources Board	x	x	04-26-01
Pollution Control Board	x	x	05-17-01
Prairie State 2000 Authority	x		03-27-01
Prisoner Review Board		x	05-17-01
Property Tax Appeal Board		x	02-28-01
Secretary of State	x		05-08-01
Sex Offender Management Board	x	x	06-28-01
Southern IL University	x	x	04-26-01
Southern IL University – Carbondale Alumni Association	x		02-22-01
Southern IL University – Carbondale Foundation	x		02-22-01
Southern IL University – Carbondale Foundation Evergreen	x		02-22-01
Southern IL University – Edwardsville Alumni Association	x		02-22-01
Southern IL University – Edwardsville Foundation	x		02-22-01
Southern IL University – Physicians & Surgeons, Inc.	x		02-22-01
Southern IL University – Edwardsville University Park	x		02-22-01
Southwestern Illinois Development Authority	x	x	05-17-01
State Appellate Defender	x	x	05-17-01
State Board of Education	x	x	03-20-01
State Employees’ Retirement System	x		02-14-01
State Fire Marshal	x	x	03-29-01
State Police Merit Board	x	x	03-29-01
State Universities Retirement System	x	x	02-14-01

FINANCIAL & COMPLIANCE AUDITS (Continued)

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
State's Attorney's Appellate Prosecutor	x	x	03-29-01
Statewide Single Audit	x		06-22-01
Teachers' Retirement System	x	x	02-14-01
Treasurer – College Savings Pool	x		05-08-01
Treasurer – Fiscal Officer	x	x	05-08-01
Treasurer – Illinois Funds	x		03-07-01
University of Illinois	x	x	03-20-01
University of Illinois Alumni Association	x	x	03-20-01
University of Illinois Foundation	x	x	03-20-01
University of Illinois – Chicago HMO	x		05-24-01
University of Illinois – Prairieland Energy, Inc.	x	x	03-20-01
University of Illinois – Wolcott, Wood & Taylor, Inc.	x	x	03-20-01
Western Illinois University	x	x	03-22-01
Western Illinois University Foundation	x		03-22-01

INFORMATION SYSTEMS AUDITS

These audits are components of each agency's regularly scheduled financial and compliance audit for the period ending June 30, 2000.

<i>INFORMATION SYSTEMS AUDITS AUDITS INITIATED AND/OR COMPLETED IN FISCAL YEAR 2001</i>	
•	Chicago State University
•	Comptroller
•	Department on Aging
•	Department of Central Management Services
•	Department of Central Management Services – BCCS 3 rd Party Review
•	Department of Children and Family Services
•	Department of Corrections
•	Department of the Lottery
•	Department of Natural Resources
•	Department of Public Aid
•	Department of State Police
•	Department of Veteran Affairs – General Office
•	Environmental Protection Agency
•	Illinois Housing Development Authority
•	State Board of Education
•	Teachers' Retirement System

EMERGENCY PURCHASES

The Illinois Procurement Code requires agencies expending funds in an emergency to file an affidavit with the Auditor General within 10 days after the procurement, setting forth the amount expended, the name of the contractor, and the circumstances requiring the emergency purchase. The Auditor General, in turn, is required to file a quarterly report with the Commission and the Governor setting forth a complete listing of all emergency purchases reported during that quarter. The latest report is for the fourth quarter of Fiscal Year 2001 and it contains sixty four filings with this Office.

CONTRACTUAL SERVICES CERTIFICATIONS

Pursuant to the requirements of the State Finance Act at 30 ILCS 105/15a, State agencies must file a certification with the Auditor General prior to the execution of any contract with a former employee who took an early retirement incentive. The certification must state that the former employee either possesses unique expertise or is essential to the operation of the agency.

During the fourth quarter of Fiscal Year 2001, the Auditor General received two certifications - one from the Department of Revenue and the other from the Office of the Secretary of State - each stating that a retiree had been hired on a contractual basis because the employee possesses unique expertise that is essential to the agency's operations.

Copies of these certifications and others received in previous quarters are on file in our Office.

Yours truly,

WILLIAM G. HOLLAND
Auditor General